Islamic banking products and services are gaining popularity widely among Muslim and non-Muslim over the world due to its wider product coverage and ability to traverse the global economic melt-down. However, to what extent this statement is support in Sarawak, Malaysia context. The purpose of this study is to access the perception among Muslim and non-Muslim towards Islamic banking in Miri and Limbang. Of the 50 questionnaires were distributed, only 36 were returned and utilized for this study. The sample was limited to a nearest population that was accessible within the region. A questionnaire developed and used to gather data for this study by (Loo, 2010) and adapted from many similar perceptions studies of Islamic banking like Ahmad (2006), (Ahmad e. a., 2010) and (Bley& Kuehn, 2004). The data for this study was analyzed using multiple statistical procedures: mean average, mean point value and correlation adapted to confirm the theoretical evidence. The result of the study revealed awareness and present understanding on Islamic banking, perception and classify of the reasons of why they do perceived Islamic banking in such a way. The finding of research found that there are differences of level of awareness and understanding towards Islamic banking between population in Miri and Limbang. The degree result of the study showed that not only non-Muslim have less level understanding of Shariah principles and profit-loss sharing concept (PLS) but the awareness also need to be address on Muslim. There are some challenges and suggestion for improvement that need to be address to prevail the popularity of Islamic banking products and services among non-Muslim. For future research, it is suggested to focusing the awareness of Islamic banking products and services with a large sample size and concern more about expectation of customer towards Islamic banking.
to improve the level of satisfaction towards Islamic banking products and services. Qualitative approach are strongly suggested for future research to have more comprehensive of results of data collection as perception is most suitable to be analyze with interview rather than questionnaires data collections.